

March 15, 2019

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

**Re: Docket No. 2018-7-G**

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Code of Laws (Natural Gas Rate Stabilization Act), enclosed please find the quarterly monitoring report for the twelve-month period ending December 31, 2018 for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4259.

Sincerely,

/s/ Pia K. Powers

Director – Gas Rates & Regulatory Affairs

Enclosures

cc: Bruce Barkley  
Jeff Nelson  
James H. Jeffries IV

Net Operating Income and Rate of Return  
For The Twelve Months Ended December 31, 2018  
South Carolina  
Page 1 of 2

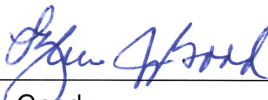
	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 159,699,509	\$ (9,967,025)	\$ 149,732,484
Other Operating Revenues	718,008	-	718,008
Total Operating Revenue	<u>\$ 160,417,517</u>	<u>\$ (9,967,025)</u>	<u>\$ 150,450,492</u>
Operating Expenses			
Cost of Gas	\$ 72,650,010	\$ (3,633,747)	\$ 69,016,263
Other Operation & Maintenance	31,179,071	(724,278)	30,454,793
Depreciation	14,067,674	1,118,393	15,186,067
General Taxes	7,392,205	2,390	7,394,595
State Income Taxes	(336,592)	1,380,214	1,043,622
Federal Income Taxes	5,928,882	(1,764,830)	4,164,052
Amort. of ITC	(16,242)	-	(16,242)
Total Operating Expenses	<u>\$ 130,865,008</u>	<u>\$ (3,621,857)</u>	<u>\$ 127,243,151</u>
Net Operating Income	<u>\$ 29,552,509</u>	<u>\$ (6,345,167)</u>	<u>\$ 23,207,342</u>
Interest on Customer Deposits	(86,488)	-	(86,488)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	660,699	-	660,699
Customer Growth	245,286	(52,665)	192,621
Net Operating Income For Return	<u>\$ 30,372,005</u>	<u>\$ (6,397,832)</u>	<u>\$ 23,974,173</u>
Original Cost Rate Base			
Plant in Service	\$ 656,966,690	\$ -	\$ 656,966,690
Accumulated Depreciation	(242,136,749)	-	(242,136,749)
Net Plant in Service	<u>\$ 414,829,941</u>	<u>\$ -</u>	<u>\$ 414,829,941</u>
Add:			
Construction Work in Progress	31,950,492	-	31,950,492
Materials and Supplies	7,322,229	-	7,322,229
Cash Working Capital	790,908	(90,535)	700,373
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,496,619	-	2,496,619
Accumulated Deferred Income Taxes	83,888,692	-	83,888,692
Unclaimed Funds	144,338	-	144,338
Total Original Cost Rate Base	<u>\$ 368,363,920</u>	<u>\$ (90,535)</u>	<u>\$ 368,273,386</u>
Return on rate base	<u>8.25%</u>		<u>6.51%</u>

Net Operating Income and Rate of Return  
 For The Twelve Months Ended December 31, 2018  
 South Carolina  
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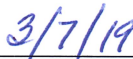
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Pro Forma Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,783,237,924	-	\$ 1,783,237,924	46.03%	47.00%	\$ 173,088,491	4.68%	2.20%	\$ 8,100,541
2. Common Equity	2,091,229,833	-	2,091,229,833	53.97%	53.00%	195,184,894	8.13%	4.31%	15,873,632
3. Total	<u>\$ 3,874,467,757</u>	<u>\$ -</u>	<u>\$ 3,874,467,757</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 368,273,385</u>		<u>6.51%</u>	<u>\$ 23,974,173</u>

## CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

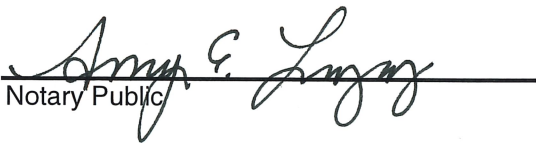


Lynn J. Good  
Chairman, President and CEO

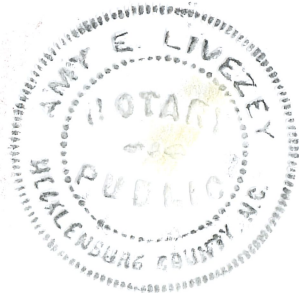


Date Signed

Subscribed and Sworn to before me this  
7<sup>th</sup> day of March, 2019.

  
Notary Public

My Commission Expires 11/10/22.



## CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young

Steven K. Young  
Executive Vice President and CFO

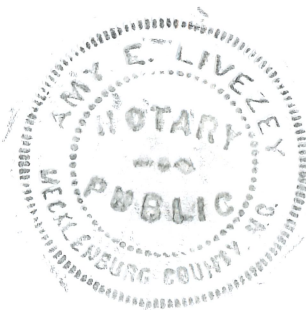
3/17/19

Date Signed

Subscribed and Sworn to before me this  
7<sup>th</sup> day of March, 2019.

Amy E. Livezey  
Notary Public

My Commission Expires 11/16/22.



## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached document is being served this date via email and FedEx Overnight upon:

Jeffrey M. Nelson  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley  
Vice President  
Regulatory and Community Relations  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
bruce.barkley@piedmontng.com

and

Pia Powers  
Director – Gas Rates & Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 15th day of March, 2019.

/s/ Richard K. Goley  
Richard K. Goley